

NCA
VOC FOR IOP/FN
BACKGROUND NO. 5-5643
CLAUDIO ESKENAZI

MARCH 22, 1978

CARTER LATIN AMERICA TRIP

ANNCR:

PRESIDENT CARTER BEGINS HIS TWO-CONTINENT TRIP TO SOUTH AMERICA AND AFRICA TUESDAY (MARCH 28). VOA'S CLAUDIO ESKENAZI HAS THIS BACKGROUND REPORT ON SOME OF THE ISSUES TO BE DISCUSSED IN VENEZUELA AND BRAZIL.

NARR:

PRESIDENT CARTER'S TRIP TO LATIN AMERICA WILL FOCUS ON SOME OF THE MAJOR ISSUES IN HEMISPHERIC RELATIONS AS WELL AS SPECIFIC BILATERAL CONCERNS IN CARACAS AND BRASILIA. DURING HIS STAY IN VENEZUELA, MR. CARTER WILL MAKE A MAJOR POLICY SPEECH ON NORTH-SOUTH ECONOMIC ISSUES. ACCORDING TO ADMINISTRATION OFFICIALS, THE ADDRESS -- WHICH WILL BE DELIVERED BEFORE THE VENEZUELAN CONGRESS IN CARACAS -- WILL CONCENTRATE ON ECONOMIC ISSUES OF DEEP CONCERN TO LATIN AMERICA WHICH MUST BE DEALT WITH IN A GLOBAL CONTEXT.

MISTER CARTER AND VENEZUELAN PRESIDENT CARLOS ANDRES PEREZ WILL ALSO SURELY DISCUSS ENERGY ISSUES. AS ONE OF THE WORLD'S LEADING OIL EXPORTERS, VENEZUELA IS CONCERNED OVER THE U.S. DOLLAR'S DROP IN VALUE IN INTERNATIONAL MONEY MARKETS AND ITS EFFECT ON OIL REVENUES. OIL PRICES ARE QUOTED IN DOLLARS, AND ANY SIGNIFICANT DEPRECIATION IN THE U.S. CURRENCY INCREASES PRESSURES AMONG THE OIL EXPORTING COUNTRIES TO RAISE OIL PRICES ACCORDINGLY TO MAKE UP FOR THE LOSS OF REVENUE.

WHILE IN VENEZUELA, ACCORDING TO AN ADMINISTRATION OFFICIALS, PRESIDENT CARTER COULD ALSO CONCLUDE A MARITIME BOUNDARIES AGREEMENT BETWEEN THE TWO COUNTRIES AS WELL AS AGREEMENTS ON NARCOTICS AND SCIENCE AND TECHNOLOGY.

PRESIDENT CARTER'S DISCUSSIONS WITH BRAZILIAN OFFICIALS ARE EXPECTED TO INCLUDE MULTILATERAL TRADE NEGOTIATIONS CURRENTLY UNDERWAY AND THE POSSIBILITY OF COOPERATING IN ENERGY RESEARCH AND DEVELOPMENT. MR. CARTER HAS VOICED OPPOSITION TO CERTAIN PROVISIONS OF A WEST GERMAN-BRAZILIAN NUCLEAR ENERGY AGREEMENT ON THE GROUNDS THAT IT DOES NOT ENSURE ADEQUATE SAFEGUARDS AGAINST NUCLEAR PROLIFERATION.

NONETHELESS, THE UNITED STATES RECOGNIZES BRAZIL'S NEED FOR ALTERNATE POWER SOURCES AND IN NO WAY WISHES TO HINDER THAT COUNTRY'S EFFORTS TO OBTAIN THE NUCLEAR POWER PLANT WHICH BRAZIL BELIEVES ARE NECESSARY FOR CONTINUED ECONOMIC GROWTH. ADMINISTRATION OFFICIALS NOT THAT THE TWO COUNTRIES HAVE A LOT IN COMMON WITH REGARD TO ENERGY IN GENERAL. INDEED THE UNITED STATES AND BRAZIL ARE THE LARGEST OIL IMPORTERS I THE NORTHERN AND SOUTHERN HEMISPHERE RESPECTIVELY. BOTH COUNTRIES WOULD LIKE TO REDUCE THEIR DEPENDENCE ON OUTSIDE SOURCES. AND THIS OFFERS THE POSSIBILITY FOR SOME COOPERATION IN DEVELOPING ALTERNATIVE ENERGY SOURCES.

PRESIDENT CARTER IS ALSO EXPECTED TO DISCUSS HUMAN RIGHTS WITH BRAZILIAN OFFICIALS. AND HE IS LIKELY TO MEET WITH CARDINAL PAULO EVARISTO ARNS OF SAO PAULO, AN OUTSPOKEN CRITIC OF HUMAN RIGHTS VIOLATIONS IN BRAZIL.

JS/PY